

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6670

BILL NUMBER: HB 1218

DATE PREPARED: Dec 15, 2000

BILL AMENDED:

SUBJECT: False Sales Receipts and Product Codes.

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill specifies, for the crime of theft and related crimes, that altering, substituting, or transferring a universal product code (UPC) or another product identification code constitutes prima facie evidence of intent to deprive the owner of property and exerting unauthorized control over property. The bill in the law governing forgery and related crimes: (1) specifies that the act of copying, reproducing, or counterfeiting a written instrument is included in the term "make"; and (2) specifies that retail sales receipts, labels, and markings with a universal product code (UPC) or other product identification code are included in the term "written instrument".

This bill makes it a Class D felony to, with intent to defraud: (1) make or place a false universal product code (UPC) or another product identification code of a product for sale; (2) make a false or duplicate sales receipt; or (3) deliver a false universal product code (UPC), false product identification code, or false or duplicate sales receipt. The bill also makes it a Class A misdemeanor to, with intent to defraud: (1) possess a device to make a retail sales receipt or a label containing a universal product code (UPC) or another product identification code; or (2) possess a retail sales receipt or label containing a universal product code (UPC) that applies to another item.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill establishes a Class D felony for certain crimes. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$20,700 in FY 1999. Individual facility expenditures ranged from \$14,936 to \$37,807. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class D felony is \$10,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase.

A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Indiana Sheriffs Association, Department of Correction.